

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2899 – HB 3479**

February 10, 2010

**SUMMARY OF BILL:** Redefines eligible independent postsecondary institution, as it relates to the lottery scholarship program, to include institutions that are members of accrediting agencies recognized by the United States Department of Education and the Council on Higher Education Accreditation.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by an amount exceeding \$100,000 per year.**

Assumptions:

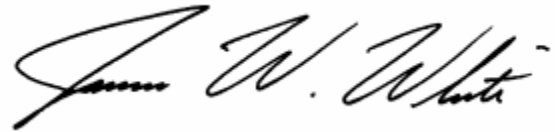
- According to the Tennessee Student Assistance Corporation (TSAC), Hiwassee College is the only additional institution that would become an eligible postsecondary institution under this bill.
- According to TSAC, Hiwassee College would have received approximately \$50,000 from the lottery scholarship program for students currently enrolled at the institution for the 2009-10 academic year, if the College were meeting the definition of eligible postsecondary institution. In other words, otherwise eligible students are not currently receiving the award on the basis that Hiwassee is not currently an eligible institution, but under this bill the students would begin receiving lottery scholarships.
- According to TSAC, the last fiscal year Hiwassee College met the definition for an eligible postsecondary institution was FY07-08. The school lost accreditation in April 2008). In FY07-08, the school received approximately \$350,000 for scholarship-eligible students. Hiwassee College did not participate in FY08-09 and FY09-10.
- TSAC indicated that some students attending other institutions could transfer to Hiwassee College because such lottery scholarship eligible students would receive an increased scholarship amount (at Hiwassee) due to the school offering on-campus housing, provided the students were transferring from an institution that did not offer housing.
- The fiscal impact of this bill is dependent on (1) the number of students currently attending Hiwassee College that are lottery scholarship eligible, but not receiving lottery scholarships due to Hiwassee College's eligibility status, (2) the number of students currently attending other institutions that will transfer to Hiwassee College as a result of

the school regaining eligibility, and (3) the net change in the amounts awarded to students who do transfer from other institutions to Hiwassee College.

- Determining a precise fiscal impact for this bill is difficult due to the unknown factors. However, the increase of expenditures from lottery proceeds is reasonably estimated to exceed \$100,000 per year.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc